

Prosperity Reduced to Fact and Figure

Experts in Many Lines Affirm That America Is Experiencing an Unprecedented Era of Commercial Growth.

Timidity in Business Cannot Be Justified, They Say, in View of Proofs That Now, as Never Before, Opportunity Beckons.

FROM all angles it appears that an unusual and significant era of prosperity has arrived.

"Prosperity," declared John H. Fahey, president of the United States Chamber of Commerce, "is with us now. It is distinctly here, and there is no question of its coming in a few months or at some indefinite future period. It has been rapidly developing during the last year. Bank clearings, general industry, the records of the railroads, all bear this out. In my mind there is no doubt that 1916 will be a tremendous year—that it will be the biggest single year in the history of the United States."

"Good business men like to be cautious, and are seldom found overenthusiastic. But the developments of the last few months have forced men to emphatic conclusions. Business men in Europe appear to have taken stock of the great impetus here before our own business men have realized what has developed. In Europe the American commercial development has been visioned very clearly."

"Not only has this situation served to speed the pulse of our domestic trade; it has jarred our people as a whole into a consideration of matters outside that narrow circle in which they had been moving. Americans have been learning to think not alone nationally but internationally. The importance of having an international perspective can hardly be exaggerated. As a result of this awakened interest in larger issues than the mere home issues, we are turning our attention out into the world. We are establishing new commercial relations. These relations will endure if we can make them endure."

NEW FIELDS ABROAD.

"The foreign field has hitherto been practically closed to most of our people. The large corporations have engaged in trade abroad, but they have been much alone in this. They have blazed a trail, however, which will make it easier now for business men generally to get a foothold. Education in the matter of world business has been rapid. Already conditions are rapidly changing. New opportunities are constantly opening up, and these are being taken advantage of in a very encouraging manner. What it has taken other countries years and years to develop America has had thrust on her. The situation is probably without precedent."

"While I consider it necessary under these conditions for business men to show courage and go ahead, at the same time the situation embodies perhaps not a few dangers, which it must be the act of wisdom to shun. But the danger of becoming overzealous in the new internationalism which is opening up is scarcely one. There will rather be a tendency on the part of those engaged in domestic trade to rest content with the improved conditions at home and not respond to that broadening impulse which urges venture in foreign fields."

"The development of foreign commerce involves factors with which few are really familiar. For instance, long credits, now being so familiarly spoken of in world negotiations, are to many items of mystery which stimulate rather doubt and diffidence than the spirit of cooperation. But it is a fact that no new business ever was set on its feet without entailing some chance of loss."

"The fear of loss through competition after the war has come to an end deters some men from enlisting genius and capital. But men are becoming rapidly educated to and familiarized with these details, and there is far less reserve and conservatism than might have been remarked in this country a few months ago."

"The question of our maintaining the position we win, during this brilliant period rests entirely with ourselves. If we take advantage of the unusual opportunities which are opening up and learn to plan scientifically for the future, the position may be anchored. But a great deal of system must be incorporated into the conduct of affairs. No hit and miss proposition will do. Out of the pioneer experiences encountered during the formative period we have emerged—emerged from the era of long guesses and chances to the era when there must be more of the positive 'know.' National efficiency in all departments must be augmented."

"In the face of this enormous domestic increase in business of all kinds it would be idle to deny that the foreign complex has been a large factor bringing this increase about. But back of this are other issues which have been little appreciated. Last year we produced the biggest crops in the history of the nation. Our whole domestic mechanism was in splendid shape at the outbreak of hostilities abroad. Temporary industries, such as have grown up out of the need of war munitions, of course, bring a great stimulus to bear. But meanwhile all sorts of readjustments in the world's business are taking place. The time was bound to come when America should stop living just for herself and

broaden out her interests and sympathies. In a sense we have just begun to discover the world."

The president of one of New York's strongest banks, who desires that his name be withheld, said that while it was possible to be overenthusiastic, in his opinion the country was facing a condition of general prosperity such as it had never experienced.

"The country was never in better shape," he declared. "Of course, the prosperity is to be attributed as largely to foreign trade as to domestic. Probably it hinges directly upon the enormous increase in our exportation on account of the war. Still it is a gratifying fact that domestic commerce has picked up wonderfully within the last month or so."

"Many departments of American business report splendid progress, especially in the Middle West, the Northwest and the South. That these localities show a proportionately greater prosperity than the Eastern states would seem to indicate that the producing centres, as a general thing, are doing a bigger business than the manufacturing centres. The rural output this year was unusually satisfactory."

"In normal times steel is considered the barometer of domestic business. At present, however, steel is the barometer of the foreign business. Should the war suddenly terminate, the demand for munition products would, of course, be snapped short. But whether this cessation of demand would not be stabilized by a great increase in the demand for peace products while Europe gets on her feet once more is a question with a strong affirmative ready to meet it."

"The banks of this country have a great surplus of funds. This is true in all financial centres. And the demand is hardly up to its normal notch. But this is merely another instance of the abnormality of the whole present situation. With an abnormal export trade, the whole commercial world must be affected to some extent. This trade, coupled with the steadily augmenting pile of foreign credits in this country, spells increased purchasing."

GOOD SIGNS IN WALL STREET.

"How permanent this era of prosperity may prove is, of course, problematical. Those who are overoptimistic and venture foolishly on the prospect of fabulous gains may reap a harvest of bitter disappointment. But all business which is building steadily and sanely must experience decided and lasting results. In Wall Street there is an admirable reflection of the times."

Asked whether any steps might be taken either by the government or by corporation influence to render permanent this ascendancy of the United States commercially, the banker said the question possessed too many ramifications to be gone into, involving political issues as well as purely business issues.

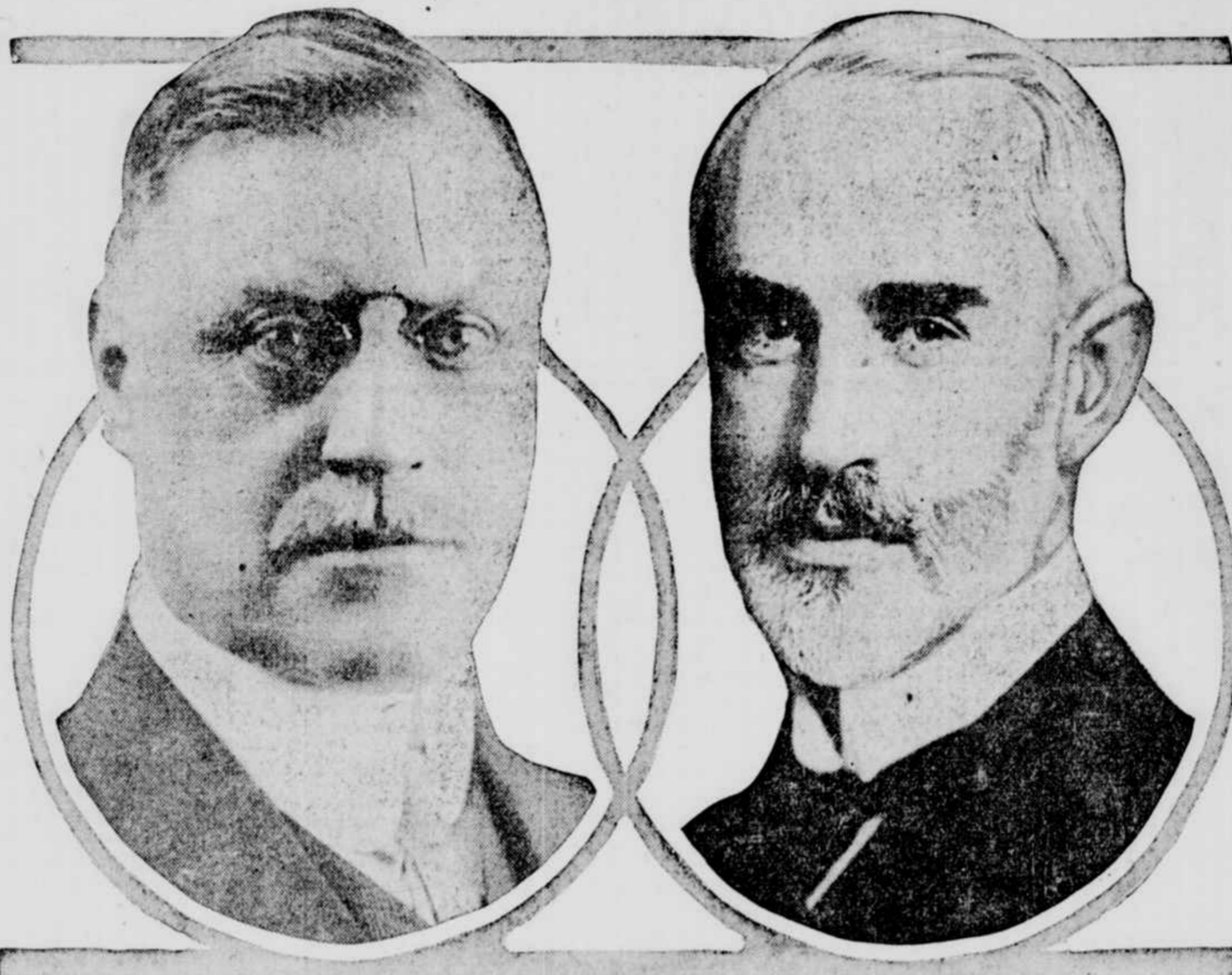
"Are you thinking especially of the ship purchase project?" he was asked.

"Of course," he replied, "if a government owned merchant marine could be established the United States would stand a much better show of becoming the foremost commercial power of the world. But the shipping bill passed by the last Congress makes it impossible for American companies to operate without loss in competition with foreign concerns."

"The wisest measures for rendering this era of prosperity permanent are those which involve quiet and reasonably conservative methods of conducting business. Prosperity in its truest analysis sifts down always to the individual. What prosperity means to him becomes in multiple what prosperity means to the nation."

"Is it not true," he was asked, "that the barometer of commerce is to be found in the banking realm?"

"Only half true," he responded. "It is true, of course, that there is a vital link between finance and trade, but it is rather that trade affects money than that money affects trade. Naturally, when money is plentiful, trade will



S. H. Ditchett (left), editor of "The Dry Goods Economist," and John H. Fahey, president of the United States Chamber of Commerce, who submit abundant evidence of our national prosperity.

Enormous Foreign Transactions Occasioned by the War Are Expected to Lead to Great and Permanent Expansion of Our Dealings in Other Lands—Banks in Good Condition and Railways Hardly Able to Handle All Traffic.

be in the best shape. But the complexion of the times should first be sought in the mercury of the commercial gauge always."

Foreign comment echoes native estimation of the exalted position the United States is attaining. Professor Jastrow, of Berlin, a noted financial authority, has prophesied that the dollar is rapidly gaining supremacy over sterling. The time is auspicious, and, according to Professor Jastrow, this country is making good use of the opportunity presented.

Reliable assurances from the freight departments of lines are all to the effect that railroads all over the country are doing the biggest business in their history.

"It is safe to say," one high official declared, "that every bit of the available rolling stock of all the railroads is now in continuous use. It is only by using all the available cars that the situation can be met satisfactorily."

Another official said that while it is difficult, because traffic is so closely interrelated, to draw a line between domestic and foreign shipments, indications amply show that the domestic trade is rapidly picking up.

The railroad men say this era of prosperity is likely to prove permanent. It is pointed out that the country is flooded with money and that, with so promising an economic outlook, trade of every sort in the United States should be stimulated.

From the Middle West in particular comes the announcement that large orders for new freight cars and locomotives are being given. And this activity is not confined to America. Orders are coming from European government railroads for large numbers of freight cars.

"The Drygoods Economist," a reliable trade journal devoted to textile interests, recently conducted a very interesting national canvass for the purpose of sounding out business conditions and outlooks. "The Economist" says:

"Skilled observers of trade and industrial

developments have become impressed with the favorable character of the outlook. In this respect there has been a marked change for the better even within the last thirty days."

"Not only gratification, but also surprise has resulted from the change in the situation at the South. Exports of cotton have far exceeded expectations. Thus the pressure of the extraordinarily large crop of the last cotton year is relieved."

"In the grain producing states, as every one knows, large crops are being harvested, and in many manufacturing centres operatives are busily employed at high wages."

"It is of particular importance at this time to consider the probable effects of the expenditures which will be made in this country as a result of the \$500,000,000 credit established here through the negotiations between representatives of the French and British governments and American bankers. There is good reason to anticipate that the heavy purchases thus made possible will be distributed over the entire country."

"Besides the foregoing, let us glance at the improvement in business conditions all over the country."

"With the exception of those from the Philadelphia and San Francisco districts all the reports are favorable. Even in the Philadelphia district there is improvement in steel, petroleum, leather and tobacco. From San Francisco come complaints of dullness in lumber, but this is offset by good crops and the growing importance of trade with Alaska."

"In New York general expansion is the word. From Chicago also comes word of improvement, particularly in steel. St. Louis wholesalers and jobbers tell of expansion in business. In Minneapolis, though the crops are later than was expected, things are going well. Kansas City reports a new epoch in sheep raising, with expansion in the mining of lead and zinc. Cleveland also tells of im-

provement, with special reference to ore, grain, wool, cotton goods and dry-goods. The Richmond district reports activity in the manufacturing of furniture and in the movement of coal. Atlanta is encouraged over the cotton outlook."

S. H. Ditchett, editor of "The Dry Goods Economist," said:

"The stock of goods on hand in the textile manufacturing plants is very small. So great is the present demand both for home consumption and for foreign markets that it is impossible to turn out more than is required. The general condition of the country is reflected in this textile prosperity."

"Conditions in the South appear to have altered marvellously. Information from a reliable source gives these significant figures: In 1914 the total export of cotton was 3,734,531 bales, while thus far in 1915 the export trade in cotton has

amounted to 6,699,458 bales. In 1914 cotton was selling at about seven and a half cents a pound. The present quotation is about 12 cents."

"Manufacturers in this country are benefited by the marked decline in importation. English looms are entirely engaged supplying the English market, while the French looms are in the hands of the Germans. German looms cannot ship anything to America. The large orders for army clothing placed here by European governments have advanced the prices on all lines of cotton goods and woollen dress goods."

"The one cloud on the horizon is the growing scarcity of dyestuffs in this country. Most of the dyestuffs have hitherto been supplied by Germany, and, while a small quantity can be produced here, it is impossible with present equipment to produce enough."

One of the most prominent wholesale grocers of the Middle West, when in New York recently, said he never had known the business to be so good as at present.

PORESEES NO RELAPSE.

"Our October sales," he said, "were the heaviest October sales ever made by the company. I anticipate that the November business will be proportionately greater, and, indeed, see no indication of a relapse in the future."

While it would be difficult to tabulate all the industries which are benefiting by European hostilities or which for more general reasons are enjoying unprecedented prosperity, the manufacture of toys commands particular attention.

Germany hitherto has enjoyed almost a monopoly of the production of toys, particularly of a mechanical nature, but because of the war it is probable that "Made in Germany" tags will be very little in evidence in America this Christmas.

American ingenuity, however, is meeting the situation. The domestic toy manufacturers are doubling and trebling their output, and the market this Christmas will be flooded with home-made goods. A permanent increase of the industry in America may result.

From the Bureau of Foreign and Domestic Commerce comes a report that many agents from foreign countries are in the United States on the trail of new trade relations. This direct soliciting of business is taken to demonstrate conclusively that the United States is to-day looked upon as the natural market of the world.

Many of these agents represent foreign firms which contemplate making big purchases in this country. Others are here for the purpose of arousing interest in the further establishment of American agencies abroad. The Orient, Australia and certain South American countries also are sending trade promoters to us.

Foreseeing that the end of European hostilities will mean an enormous readjustment in American industrial fields, corporations already are joining hands in an effort to forestall and avert any great shock. There will, of course, be an immediate discontinuance of munition orders once peace is established. And as Europe gets on her feet again orders of

Good Crops, Busy Factories and Rapidly Widening Markets Tell the Story—Facilities in Various Branches Inadequate.

Optimism Expressed by Individuals Is Borne Out by Statistics and Trade Reports Collected Carefully from Many Sources.

great extent and variety will also dwindle to little or nothing. That this diminution, when it does come, may not bring about serious economic complications here, the National Founders' Association, which recently convened in this city, will take steps to expand the local field and fortify in every way possible against loss of profits and the necessity of lowering wages.

E. V. Douglas, secretary of the American Manufacturers' Export Association, said:

"There is considerable misapprehension at present with regard to actual business conditions in the United States. Throughout the Eastern seaboard and New England, and extending over the country otherwise in proportion to the ability of certain districts to supply manufactured products and foodstuffs for which the European war has created such a large demand, a prosperity has been established which must be regarded as partly, at least, of an ephemeral nature."

"It is also true that this prosperity has had its effect in other directions, notably among the railway and transportation companies, marine insurance agencies, etc. It is nevertheless equally true that with the cessation of the war there will come a stoppage in many of the demands which have brought about this transitory era of good times."

"Beyond the evidences above cited of the favorable effect upon business in the United States at present it may be conservatively stated that the natural and underlying course of commerce and trade has not yet felt a strong stimulus to anything like the extent which seems to be supposed by a large part of the public."

"Superficially, it would appear that with the enormously increased volume of our exports within recent months, the bumper crops with which the country has this year been favored, counting also our rapid approach to the point where we shall probably be a creditor, rather than a debtor, nation, there is excellent ground for proclaiming the advent of prosperity. Yet it cannot truthfully be stated that the industries of the country, taken as a whole, are generally feeling the effects which have caused comparatively a few to spring into an unprecedented degree of welfare."

"To possess permanent value, prosperity must be reasonably certain that industrial activities will not suffer interference by blundering, if well meaning, hands; it must have a fair assurance that it will not be blocked by variously minded political parties; it must be able to consider with equanimity the future outlook upon commercial competition between the United States and foreign countries, and, most of all, it is imperative that there should be solidarity in respect to the future advancement of this country, unhampered by ties which may bind us by sentiment to other lands, but which can only prove of mutual danger when remembered otherwise."

"It may be claimed that with the unprecedented occasions offered to the United States within recent months to extend its foreign trade to South America and other markets temporarily, at any rate, unable to supply their needs from former European sources, this country should be, if it is not, enjoying the results of purchases hitherto confined very closely among our commercial rivals in world trade."

"This is largely true, but those who are over-desirous of attaining a state of commercial well-being without examining more carefully into the fundamental situation, overlook the dangers and difficulties with which our merchants and producers are confronted."

"The practically universal proclamation of moratoria by all foreign nations created a financial crisis which is yet felt to a serious degree in many directions. Beyond the fact that the Latin-American, in spite of reiterated assurances to the contrary, feels but little natural inclination to trade with his North American neighbor, lies the further truth that, with few exceptions, South American countries are to-day fighting against unfavorable financial conditions, and their purchasing power is heavily restricted."

"In Australia there existed until recently a widespread resentment against the United States and its commercial products, due to a lack of understanding of our attitude toward the present belligerent nations. This is now understood to have been dissipated and replaced by a feeling of friendliness."

"With the continued progress of the war in Europe and the attendant inability of those nations to furnish to the world the articles which are essential to its daily life and needs, the resources of the United States must be depended upon to an extent undreamed of formerly. Wisely directed and conservatively transacted, this commerce will exert a much more general effect upon the prosperity of the country as a whole than the temporary nature of a large part of our foreign trade of to-day could hope to accomplish, and with a reasonable continuance of our present rate of national development and the mercies which a kind Providence has bestowed upon our people, it requires no prophet to foretell that we might confidently and safely look forward to genuine and firmly founded 'good times.'"